

Dominion Fabrics
Limited

Annual Report

For the year ended
31st December, 1966

ANNUAL
REPORT

*For the Fiscal Year
Ended December 31,
1966*

TO THE SHAREHOLDERS,
DOMINION FABRICS LIMITED,
DUNNVILLE, ONT.

Dear Sirs:

The Company's annual statement for the year ended December 31, 1966, records net profit of \$120,670. after provision for depreciation and income taxes, compared with \$206,683. in the preceding year. While 1966 was a trying year due to production difficulties chiefly related to the working in of new equipment and the training of new staff, there was considerable improvement in the closing months of the year and in the early months of the current year.

During the year some \$308,000 was expended on plant improvements. Our present plans call for a reduced capital expenditure in 1967. In connection with the capital expenditures, the bank loan on capital account increased to \$300,000 as at December 31, 1966, compared with \$100,000 at the end of the preceding year.

Current assets at the year end amounted to \$2,086,772. increased somewhat from \$2,002,524. at the end of 1965 and current liabilities were at \$314,882. against \$427,945. at the preceding year end. Net current assets amounted to \$1,771,890, increased from \$1,574,579.

Sales volume in 1966 was about 5% lower than in 1965, largely due to production difficulties. Demand for our products was strong during the year and continues firm. Competition from low-wage Asiatic countries is a continuing problem faced by our industry.

The Directors wish to express appreciation for the loyal and efficient service rendered by the officers and employees of the Company during 1966.

On behalf of the Board,

GORDON CAMELFORD,

President.

**DOMINION FABRICS, LIMITED
AND ITS WHOLLY OWNED SUBSIDIARY DOMINION YARNS, LIMITED**

**Consolidated Statement of Profit and Loss
and Earnings Employed in the Business
For the Year Ended December 31, 1966**

(With Comparative Figures for the Year Ended December 31, 1965)

	Year Ended December 31, 1966	Year Ended December 31, 1965
Profit after deducting cost of operations, provision for pensions and all other expenses but depreciation	\$ 470,577.	\$ 666,032
Deduct:		
Provision for depreciation	240,107.	240,249.
Profit before provision for income taxes	230,470.	425,783.
Deduct:		
Provision for income taxes	109,800.	219,100.
Net profit for the year	120,670.	206,683
Deduct:		
Dividends for the year	88,000.	87,000.
Earnings for the year retained in business	32,670.	119,683.
Add:		
Earnings employed in the business at the beginning of the year—unappropriated	2,111,893.	1,989,746.
Income tax adjustment of prior years	3,182.	2,464.
Transfer of Inventory Reserve	250,000.
Earnings employed in the business at end of year —unappropriated	\$ 2,397,745.	\$ 2,111,893.

Note 1. The income taxes payable in respect to the year 1966 amount to \$60,800. The difference of \$49,000. between this and the provision for income taxes charged against income results from claiming for tax purposes an amount of depreciation greater than that recorded in the accounts. The difference is applicable to future periods in which the amounts claimed for income tax purposes will be less than depreciation recorded in the accounts, and is accordingly included in the balance sheet item, "Tax reductions applicable to future years".

DOMINION FA AND ITS WHOLLY OWNED SUBS

Consolidated Balance Sh

(With Comparative Balance

ASSETS

December 31, December 31,
1966 1965

CURRENT ASSETS:

Cash on hand	\$ 2,600.	\$ 2,600.
Cash in bank (1965 overdraft)	45,641.	(30,125.)
Accounts receivable (after making provision for doubtful accounts)	820,916.	818,540.
Inventories of raw cotton, materials, work in process, finished goods, valued at the lower of cost or replacement	1,182,879.	1,149,272.
Prepaid charges	29,626.	28,887.
Income taxes overpaid	5,110.	33,350.
	<hr/> 2,086,772.	<hr/> 2,002,524.

INVESTMENTS:

Mortgages	1,597.	2,385.
Special refundable tax	9,388.
	<hr/> 10,985.	<hr/> 2,385.

CAPITAL ASSETS:

Land, buildings and equipment as revalued by officials of the Company at December 31, 1926	596,702.	596,702.
Subsequent additions at cost	4,490,346.	4,172,585.
	<hr/> 5,087,048.	<hr/> 4,769,287.
Less accumulated depreciation	3,523,078.	3,284,258.
	<hr/> 1,563,970.	<hr/> 1,485,029.
	<hr/> \$ 3,661,727.	<hr/> \$ 3,489,938.

Approved on behalf of the Board:

GORDON CAMELFORD, Director.

KENNETH CAMELFORD, Director.

Auditors' Report to the Shareholders of Dominion Fabrics, Limited.

We have examined the consolidated balance sheet of Dominion Fabrics, Inc., 31, 1966, and the consolidated statement of profit and loss and earnings per share included a general review of the accounting procedures and such tests of accuracy as circumstances.

In our opinion, the above consolidated balance sheet and related consolidated statement fairly the financial position of the combined companies as at December 31, 1966, in accordance with generally accepted accounting principles applied on a basis.

RICS, LIMITED

Y DOMINION YARNS, LIMITED

at December 31, 1966

at December 31, 1965)

LIABILITIES

December 31, December 31,
1966 1965

CURRENT LIABILITIES:

Bank loan	Nil	\$ 50,000.
Accounts payable and accrued liabilities	241,661.	296,271.
Taxes other than income	51,221.	59,674.
Dividend payable February 1	22,000.	22,000.
	<hr/>	<hr/>
	314,882.	427,945.

Bank loan on Capital Account due in 1969

300,000.

100,000.

Tax reductions applicable to future years

181,600.

132,600.

CAPITAL STOCK: Authorized

300,000 Class A cumulative participating preference
shares of no par value

400,000 Common shares of no par value

CAPITAL STOCK: Issued and Fully Paid

170,000 Class A preference shares }
210,000 Common shares }..... 17,500. 17,500.

EARNINGS EMPLOYED IN THE BUSINESS:

Appropriated as a reserve against possible decline in inventory value	<hr/>	250,000.
Unappropriated	2,397,745.	2,111,893.
Capital Surplus	450,000.	450,000.
	<hr/>	<hr/>
	\$ 3,661,727.	\$ 3,489,938.

and its wholly owned subsidiary Dominion Yarns, Limited as at December 31 in the business for the fiscal year ended on that date. Our examination records and other supporting evidence as we considered necessary in the

statements of profit and loss and earnings employed in the business, present and the combined results of their operations for the year ended on that date, consistent with that of the preceding year.

LEVER, HOSKIN, CHAGNON & MacGILLIVRAY,
Chartered Accountants.

DOMINION FABRICS LIMITED

NOTICE OF ANNUAL AND GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual General Meeting of Shareholders of the above Company will be held at the Head Office of the Company, Forest St., Dunnville, Ontario, on Thursday, April 6th, at the hour of 10.30 a.m., for the purposes of:

1. Receiving and considering the Financial Statement, Auditors' Report and Directors' Report for the year ended December 31, 1966.
2. Election of Directors.
3. Appointment of Auditors.
4. Such other business as may properly come before this meeting.

If you are unable to attend the meeting, kindly sign and return the enclosed proxy, using the business reply envelope provided for this purpose.

By order of the Board,

J. GORDON CAMELFORD,
President.

BOARD OF DIRECTORS

J. GORDON CAMELFORD, Dunnville, Ontario

President

JAMES A. CAMELFORD, B.Sc., Dunnville, Ontario

Vice-President

KENNETH G. CAMELFORD, B.Sc., Dunnville, Ontario

Secretary-Treasurer

MARY CAMELFORD, Dunnville, Ontario

DOROTHY F. KELLY, Hamilton, Ontario

DARCY B. DINGLE, Q.C., Toronto, Ontario

ROBERT V. HICKS, Toronto, Ontario

DOMINION FABRICS LIMITED

Camtex

Manufacturers of

TOWELS

BEDSPREADS

BATH SHEETS

FACE CLOTHS

DISH CLOTHS

POT HOLDERS

